

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1487-03
Bill No.: Perfected HCS for HB 631
Subject: Education, Higher; Higher Education Department; Teachers
Type: Original
Date: April 21, 2009

Bill Summary: This proposal changes the laws regarding the Missouri Teaching Fellows Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$2,500)	(\$52,500)	(\$105,180)
Total Estimated Net Effect on General Revenue Fund	(\$2,500)	(\$52,500)	(\$105,180)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Teaching Fellows Program Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	(Exceed \$100,000)	(Exceed \$100,000)	(Exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education (DHE)** estimates that approximately 10 additional persons would participate in the program each year starting with the 2010-2011 academic year (FY 11), and that each of those 10 persons would receive the entire \$5,000 reimbursement/payment for the first four years, then \$1,000 in their fifth year.

The statute provides for payments to be adjusted for inflation. The DHE assumes that the payment amount will be the amount set forth in the statute for the first year the payment is made, then will increase in each year thereafter. The DHE assumes that the rate of inflation will be 2.7% each year. This is the average CPI increase over the last five years (calculated using data from the Bureau of Labor Statistics' website).

The DHE also estimates that it would need approximately \$2,500 to educate potential participants about the program. These funds would be in addition to funds currently used to promote the program because we would be reaching out to an entirely different audience. Currently, marketing efforts focus on high school students; this bill would require the DHE to reach out to college students as well.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
# of additional participants	0	10	20	30	40	50
reimbursement payment each person receives in years 1-4	0	\$5,000	\$5,134	\$5,272	\$5,413	\$5,558
reimbursement payment each person receives in year 5	0	0	0	0	0	\$1,000
cost to promote program	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Cost	\$2,500	52,500	105,180	160,648	219,015	234,817

ASSUMPTION (continued)

Officials at the **University of Missouri, Francis Howell School District, Metropolitan Community College, Special School District, Missouri Southern State University, Truman State University, University of Central Missouri, Missouri Western State University, Sikeston R-6 School District, Lincoln University, Missouri State University, University of Missouri** and the **Linn State Technical College** assume that there is no fiscal impact from this proposal.

Amendment 1 School Nurse Pay

In response to similar legislation filed this year, HB 456, the following officials responded:

Officials from the **Department of Health** and the **Department of Insurance, Financial Institutions and Professional Registration** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** state they do not have data on the salaries paid to nurses; therefore, the fiscal impact cannot be estimated.

Officials from the **Parkway School District** assume the proposal would cost their district an additional \$300,000.

Officials from the **Francis Howell School District (FHSD)** state that the proposed legislation would have a detrimental fiscal impact for FHSD.

Their nurses are paid as hourly employees; teachers are salaried. Nurses work 196 days and teachers are contracted for 185 days. Nurses work 8 hours per day and teachers work 7 hours per day. Their lowest paid nurse earns \$33,069 on an annual basis. To place this nurse on the teacher's salary schedule, converting for variances in number of day and hours, that same nurse would make \$42,389, a difference of \$9,320.

A most highly compensated nurse earns \$49,078 per year. To place this same nurse on the teacher's salary schedule, converting for the variances in number of days and hours, that same nurse would make \$71,288, a difference of \$22,150. FHSD employs 22 nurses.

The low end of the cost differential would be \$205,000, and the high end would be \$487,000. The actual fiscal impact could be higher if any of the nurses held a Masters degree.

Officials from the **Special School District of St Louis County** assume this proposal would not

ASSUMPTION (continued)

affect their district as their nurses are already on the teacher salary schedule.

Oversight assumes the fiscal impact will exceed \$100,000 in cost, based on responses from school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Transfer Out</u> - Mo Teaching Fellows Program Fund - scholarship & program costs	<u>(\$2,500)</u>	<u>(\$52,500)</u>	<u>(\$105,180)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$2,500)</u>	<u>(\$52,500)</u>	<u>(\$105,180)</u>
MO TEACHING FELLOW PROGRAM FUND			
<u>Transfer In</u> - from General Revenue scholarship & program costs	\$2,500	\$52,500	\$105,180
<u>Cost</u> - Dept. of Higher Education additional scholarships & program costs	<u>(\$2,500)</u>	<u>(\$52,500)</u>	<u>(\$105,180)</u>
ESTIMATED NET EFFECT ON MO TEACHING FELLOW PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - School Districts - Increased school nurse salaries</u>	(Exceeds <u>\$100,000</u>)	(Exceeds <u>\$100,000</u>)	(Exceeds <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Exceeds \$100,000)</u>	<u>(Exceeds \$100,000)</u>	<u>(Exceeds \$100,000)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, the Missouri Teaching Fellows Program provides scholarships for certain students who have at least a 3.0 on their college grade point average (GPA). This bill raises the required GPA to 3.25.

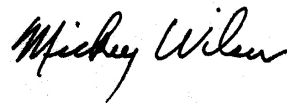
The bill also adds teachers obtaining a license after August 28, 2009, who are hired and agree to teach for five years in a district that is not accredited to those eligible for a scholarship under the program.

Amendment 1- Beginning with the 2010-2011 school year, this proposal requires registered professional school nurses to be paid on the same pay scale as teachers in their district with equivalent work history and working hours. The salary requirements will not decrease school funding or decrease registered professional school nurse staff positions. The definition of "salary" does not include supplements for extra duties.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

University of Missouri
Metropolitan Community College
University of Central Missouri
Missouri Southern State University
Truman State University
Department of Higher Education
Missouri Western State University
Linn State Technical College
Sikeston R-6 School District
Lincoln University
Missouri State University
Department of Elementary and Secondary Education
Department of Health
Department of Insurance, Financial Institutions and Professional Registration
School Districts
 Parkway
 Francis Howell
 Special School District of St Louis County



Mickey Wilson, CPA
Director
April 21, 2009